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10/562,185

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EXAMINER

DONLON, RYAN D

ART UNIT

PAPER NUMBER

3695

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/562,185

**Applicant(s)**

GAUTHIERON ET AL.

**Examiner**

RYAN D. DONLON

**Art Unit**

3695

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 11 May 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 15-18, 22-30, 32-43 and 66-68 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 15-18, 22-30, 32-43 and 66-68 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

***Claim Rejections - 35 USC § 102***

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 15-18, 22-26, 28-30, 32-33, 35-43, 66, 68 are rejected under 35 U.S.C. 102(b) as being anticipated by Ray et al., Pat No. 6,018,722 (hereinafter Ray), patented on January 25, 2000.

As per **claim 15**:

Ray discloses funds investment system for managing funds that have been allocated to a plurality of asset manager programs through a plurality of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation of funds according to a predefined rule, the system comprising:

a receiver for receiving data relating to the value of funds held by the plurality of asset manager programs (mutual funds) (see at least column 2 lines 4-47 and 6 lines 13-37);

at least one processor for determining the value of intermediate allocations that

represent the distribution of funds to individual asset manager programs according to the value data received (see at least column 6 lines 3 through column 7 line 57);

the at least one processor comparison means for comparing the determined intermediate allocations with the predefined rules (allocation model) for same (see at least column 5 lines 33-48, column 8 lines 63-67 and column 9 lines 1-8);

and the least one processor determining a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations in the event that a variance greater than a predetermined amount exists between the determined intermediate allocation and the predefined rules for same (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8)

As per **claim 16**:

A funds investment system according to claim 15 wherein the determined new allocation of funds distribution to asset managers is provided to a user by a data output means thus reporting the new distribution required to maintain the integrity of the predefined intermediate allocation rules (see at least claim 5 and column 9 lines 29-43).

As per **claim 17**:

A funds investment system according to claim 15 wherein a data input means is operated by the user to request a calculation to determine the options that are available to effect the new allocation of funds (see at least the "Expert RIA" system in column 9

lines 29-43).

As per **claim 18**:

A funds investment system according to claim 17 wherein the selection of an option and effecting the transfer of funds between asset managers to accord with the new distribution is automated (see at least column 9 lines 44- 67 and column 10 lines 1-12 wherein the selection and transfer of funds is automated using a computer).

As per **claim 66**:

A funds investment system according to claim 15 wherein the intermediate allocations are grouped to define categories of allocations said categories being individually managed by a computing means in operable communication with the least one processor such that the least one processor receives data relating to the amount of funds allocated to each intermediate allocation and/or each allocation category (see at least column 8 lines 3-14 and column 5 lines 33-48, column 8 lines 63-67 and column 9 lines 1-8).

As per **claim 22**:

Ray discloses a computer program for execution on at least one processor embodied on a computer readable medium for managing funds that have been allocated to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an

asset manager program with all superior intermediate allocations effected external to any asset manager program, and where each intermediate allocation accords with a predefined rule wherein said computer program includes computer instruction code for executing tasks including:

code for receiving data relating to the value of funds held by the plurality of asset manager programs (mutual funds) (see at least column 2 lines 4-47 and 6 lines 13-37);

code for determining the intermediate allocations representing the distribution of funds to individual asset manager programs according to the value data received (see at least column 6 lines 3 through column 7 line 57);;

code for comparing the determined intermediate allocations with the pre-defined rules (allocation model) for same and determining whether a variance greater than a predetermined amount exists between the determined intermediate allocation and the pre-defined rules for same (see at least column 5 lines 33-48, column 8 lines 3-67, column 9 lines 1-8 and claim 5);

and code for calculating a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations (see at least claim 5 and column 9 lines 29-43).

As per **claim 23**:

A computer program according to claim 22 wherein the computer program further includes computer instruction code for reporting the calculated new allocation of funds

(see at least claim 5 and column 9 lines 29-43).

As per **claim 24**:

A computer program according to claim 23 wherein the computer program further includes computer instruction code for receiving an instruction from a user to effect a transfer of funds to each most subordinate allocation to accord with the calculated new allocation (see at least the "AExpert RIA" system in column 9 lines 29-43).

As per **claim 25**:

A computer program according to claim 23 wherein the computer program further includes computer instruction code for transferring funds to accord with the new allocation (this claim introduces no substantial limitation over that of claim 24 and is therefore rejected under a similar rationale).

As per **claim 26**:

In a data communications network including communication devices enabling communication between a user and a funds investment system, a method of investing funds with asset manager programs by distributing total funds available for investment to a plurality of asset manager programs ("mutual funds") (see at least column 2 lines 40-48) said distribution effected by performing the method step of performing a plurality of intermediate allocations using at least one processor through a network of allocations, the most subordinate allocations representing the allocation of funds to an

asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation according with predefined rules (allocation model) supplied to the system by the user over the communications network (see at least column 4 lines 66-67 and column 5 lines 1-19) and repeating the step of performing intermediate allocations until all available funds are allocated (allocating an account) with asset manager programs (see at least column 5 lines 33-48, column 8 lines 3-67, column 9 lines 1-8 and claims 1 and 5).

As per **claim 28**:

A method according to claim 26 wherein the predefined rules for intermediate allocations are established to apportion funds according to an investor's preferred distribution (allocation model) of investment funds to particular assets or classes of assets (see at least column 4 lines 66-67 and column 5 lines 1-19).

As per **claim 29**:

A method according to claim 26 wherein the intermediate allocations (mutual funds) form a network of allocations and an intermediate allocation receives an apportionment of funds from a superior allocation (an account) and apportions funds to a subordinate allocation (see at least column 2 lines 40-48, column 8 lines 3-14).

As per **claim 30**:

In a data communications network including communication devices enabling



communication between a user and a funds investment system, a method of investing funds with asset manager programs by distributing total funds available for investment to a plurality of asset manager programs through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, said distribution effected by performing the method step of performing a plurality of intermediate allocations using at least one processor each intermediate allocation according with predefined rules supplied to the system by the user over the communications network and repeating the step of performing intermediate allocations until all available funds are allocated with asset manager programs:

wherein the method includes the step of receiving from asset managers, to whom funds have been allocated, a valuation of the invested funds in each of the asset manager programs and determining a value at each superior intermediate allocation, the value being determined from valuations at subordinate allocations (see at least "account value" column 5 lines 45-58; column 6 lines 3 through column 7 line 57; and claim 1 which shows gathering a valuation of the invested funds (market value) of the plurality of securities).

As per **claim 32**:

A method according to claim 30 wherein the valuation of intermediate allocations

occurs periodically (see at least column 4 lines 46-55).

As per **claim 33**:

A method according to claim 30 wherein the valuation of intermediate allocations occurs as a result of a predefined trigger (daily) (this claim introduces no substantial limitation over that of claim 32 and is therefore rejected under a similar rationale).

As per **claim 35**:

A method according to claim 30 wherein the valuations of the intermediate allocations may be compared with the predefined allocation rules to determine the extent of variance with respect to those rules (see at least column 8 lines 3-14 and claim 5).

As per **claim 36**:

A method according to claim 30 wherein the method includes rules relating to the allowable variance of allocation valuations as compared with the predefined rules regarding intermediate allocations and in the event that the allowable variance is exceeded, a warning (buy or sell recommendation) is provided (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8 and claim 5).

As per **claim 37**:

A method according to claim 36 wherein the allowable variance is exceeded and the method includes the generation of recommended actions for the distribution of investment funds in order to bring the distribution of funds into agreement with the pre-defined allocation rules (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8 and claim 5).

As per **claim 38**:

A method according to claim 37 wherein the recommended actions include the provision of recommended buy and sell orders with respect to particular securities (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8).

As per **claim 39**:

A method according to either claim 37 wherein the method includes the step of providing a simulated valuation of the intermediate allocations and the funds invested with individual asset manager programs that would most likely result from executing the recommended actions (see at least figure 3 and column 3 description of "FIG 3").

As per **claim 40**:

In a data communications network including communication devices enabling communication between a user and a funds investment system, a method of managing invested funds that have been allocated to a plurality of asset manager programs

through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a predefined rule communicated to the system by the user, the funds investment system performing the method steps of:

obtaining data relating to the value of funds allocated to the plurality of asset manager programs;

calculating using at least one processor the intermediate allocations representing the distribution of funds to individual asset manager programs according to the value data obtained;

comparing using at least one processor the calculated intermediate allocations with the pre-defined rules for same;

and in the event that a predefined variance between the calculated intermediate allocation and the predefined rule for same is exceeded, calculating a new allocation of funds to asset managers in accordance with the pre-defined rules for intermediate allocations (**Examiner Notes:** this claim introduces rejected under the same rationale as claim 15).

As per **claim 41:**

A method according to claim 40 wherein the requirement to perform a new calculation of funds distribution to asset managers is communicated to the user as warning (buy or sell recommendation) that action is required to maintain the integrity of

the pre-defined intermediate allocation rules (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8 and claim 5).

As per **claim 42**:

A method according to claim 40 wherein the funds investment system determines the options available (buy or sell recommendations) to effect the new distribution of funds and communicates same to the user for consideration (see at least column 8 lines 3-14, 54-67 column 9 lines 1-8 and claim 5).

As per **claim 68**:

Ray discloses a method according to claim 40 wherein intermediate allocations are grouped to define categories of allocations, the method including the step of reporting the amount of funds allocated to each intermediate allocation and/or allocation category thus enabling the allocation categories to be individually managed. (For the purposes of prosecution the phrase "thus enabling the allocation categories to be individually managed" does not further limit the scope of the claim, since this phrase does not positively recite a limitation, but rather the intended consequence of implementing the claim. See at least column 8 lines 3-14 and lines 63-67; column 9 lines 1-8; and column 5 lines 33-48, wherein it is disclosed that the allocations are used to develop reports).

As per **claim 43**:

A method according to claim 42 wherein the user selects at least one of the available options and communicates the selection to the funds investment system, said funds investment system upon receiving said selection effecting transfer of funds to effect the new distribution of funds (see at least column 9 lines 66-67 and column 10 lines 1-12).

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claim 27, 34 and 67 is rejected under 35 U.S.C. 103(a) as being unpatentable over Ray as applied to claim 26 above.

As per **claim 27**:

Ray does not disclose a method according to claim 26 wherein the communication devices used by the user include any one or more of the following:

- a laptop personal computer;
- a notebook personal computer;
- a wireless laptop personal computer;
- a wireless notebook personal computer;

a cell phone;

or a cell phone having connection facilities to the data communications network.

However Ray does disclose the use of a personal computer (see at least column 9 lines 44-65). The use of a laptop personal computer is a well known improvement over the use of a desktop computer and applying this improvement would have been well within the means of one of ordinary skill at the time of the invention. Therefore it would have been obvious to improve the system for investing of Ray, by the simple substitution the use of a personal computer for the use of a laptop to obtain predictable results. Thus, the simple substitution of one known element for another producing a predictable result renders the claim obvious.

As per **claim 67**:

A computer program embodied on a computer readable medium according to claim 27 wherein intermediate allocations are grouped to define categories of allocations, the computer program including code for reporting the amount of funds allocated to each intermediate allocation and/or allocation category thus enabling the allocation categories to be individually managed.

As per **claim 34**:

Ray does not teach a method according to claim 33 wherein the predefined trigger is a value of funds with an asset manager program exceeding a predetermined

amount. However, Ray does teach valuation triggers (see the rejection to claim 33 above)

Further it would have been obvious to the ordinary practitioner at the time of the invention to perform a valuation of the holdings of a fund as the result of one or more of the fund's holdings significantly changing in value. For example, many asset managers invest a fund's financial holdings using strategies consisting of a balancing a fund's holdings across various asset classes (e.g. energy, health care, commodities, etc). Each asset class is typically assigned percentage of the total value of the funds holdings as a target (e.g. 33% energy, 33% health care, 34% commodities). The fund will then invest in various assets in an asset class such that the total value of the various assets in an asset class meet the target percentage of the total value of the entire fund, thus the implementing the fund's strategy. When the value of a particular asset in the fund's holdings grows (or falls) suddenly (say because of a merger or an new business venture), a portfolio manager will perform a valuation of the fund's holdings to determine the change in the value of the particular asset in question places the funds target balance off the target the strategy.

It would have been obvious to one of ordinary skill in the art to include in the method of valuing a fund as the result of a trigger of Ray, the well known method of triggering a valuation as the result of an asset significantly changing in value because this would have allowed for asset managers and investor alike to be notified of the imbalances in their portfolio. Further the claimed invention is merely a combination of old elements, and in the combination, each element merely would have performed the



same function as is did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

### ***Response to Arguments***

5. Applicants amendments have overcome the 35 U.S.C. §112 and §101 rejections and therefore the §112 and §101 rejections have been withdrawn.
6. Applicant's arguments filed 11 May 2009 regarding 35 U.S.C. §102 and §103 rejections have been fully considered but they are not persuasive.
7. With regard to claim 15, the Applicant argues "the present invention as claimed is directed to a funds investment system and method wherein the funds are pooled. See claim 15 ("funds investment system for managing funds that have been allocated to a plurality of asset manager programs through a plurality of intermediate allocations")" and the prior art is "entirely focused on providing investment management for individual investors." The Examiner respectfully disagrees with the Applicant's analysis.
8. As an initial matter, the Examiner notes the portion of the Applicant's claim which the Applicant refers to as support for claiming pooled funds is in the preamble, however the preamble is not considered limiting since the body of the claim is not tied to the preamble as the "claim preamble is 'necessary to give life, meaning, and vitality' to the claim" (see *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305, 51 USPQ2d 1161, 1165-66 (Fed. Cir. 1999)). Additionally the Applicant argues terminology not in the claim, such as the phrase "funds are pooled" which appears to be an interpretation of the phrase "funds that have been allocated to a plurality of asset

manager programs through a plurality of intermediate allocations”, however this phrase could also be interpreted to mean “funds that have been allocated and allocated again”. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

9. Further, the prior art does teach pooled funds. The Examiner directs the applicant's attention to Ray et al column 2 lines 10-14 “This powerful tool enables untrained individuals to manage their portfolio”. “Portfolio”, as defined by Barron's Dictionary of Business Terms, Third Edition (Copyright 2000) is a “Group of securities held by an individual or institutional investor, which may contain a variety of common and preferred stocks, corporate and municipal bonds, certificates of deposit and treasury bills, that is, appropriate selections from the equity, capital and money markets.” and the term “Pooled” is defined as “(1) a combination of resources for a common purpose or benefit;”. While the prior art may not teach the funds are pooled from a variety of investors, the prior art does teach pooled funds.

10. The Applicant further argues “the Ray reference does not teach or even suggest any type of rebalancing of an investment portfolio which occurs in the same way as recited in claim 15 - namely a rebalancing that is driven by the value of the funds.” Ray et al teaches rebalancing that is driven by the value of the funds, “Technical analysis derives investment decisions study of, for example, **price** and volume information” (emphasis added) (column 6 lines 55-56) and “Each day every asset in every portfolio is evaluated using the **technical analysis**. Those securities which are classified by

technical analysis as being in a sell zone and which are not recommended by the fundamental analysis, generate a specific sell transaction." (emphasis added) (column 7 lines 38-42)

11. Finally the applicant argues "as a result of the claimed rebalancing, buy and sell decisions are made externally (entrusted to someone like an asset manager) and are based on market conditions." Such features are not recited in the rejected claim. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

12. Arguments with regard to claims 22, 26, 30 and 40 are argued under the same rationale as claim 15 above.

### ***Conclusion***

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to RYAN D. DONLON whose telephone number is (571)270-3602. The examiner can normally be reached on Monday through Friday 7:30am to 5:00pm EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached on (571) 272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/R. D. D./  
Examiner, Art Unit 3695  
September 15, 2009

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Primary Examiner, Art Unit 3695